

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et al.*,

Debtors.¹

PROMESA

Title III

No. 17 BK 3283-LTS

(Jointly Administered)

**AAFAF’S RESPONSES AND OBJECTIONS TO REQUESTS FOR PRODUCTION OF
INDIVIDUAL BONDHOLDER (PETER C. HEIN) – SET 1**

¹ The Debtors in these Title III Cases, along with each Debtor’s respective Title III case number and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority (“PBA”) (Bankruptcy Case No. 19-BK-5523-LTS) (Last Four Digits of Federal Tax ID: 3801).

Mr. Hein. AAFAF further objects to this Request as overbroad, unduly burdensome, and not relevant to the parties' claims or objections in connection with the Plan of Adjustment.

Subject to and without waiving the foregoing general and specific objections, AAFAF responds as follows:

AAFAF directs Mr. Hein to the official statements that accompanied the bond issuances, which are available in the "Bond Offering Statements" folder in the Plan Depository.

REQUEST FOR PRODUCTION NO. 9:

Produce all Communications sent to, or received from, the IRS by or on behalf of FOMB, FAFAA, Commonwealth, or any other representative, agency or instrumentality of Commonwealth, relating to the tax treatment, or potential tax treatment, of (i) New GO Bonds and/or (ii) CVIs, including any applications (formal or informal) for rulings or determinations, including rulings or determinations of tax exempt status.

RESPONSE TO REQUEST FOR PRODUCTION NO. 9:

In addition to its General Objections, incorporated herein by this reference, AAFAF objects to this Request as overbroad, unduly burdensome, and not relevant to the parties' claims or objections in connection with the Plan of Adjustment. AAFAF further objects to this Request because it seeks "all" communications rather than communications sufficient to show particular information.

REQUEST FOR PRODUCTION NO. 10:

Produce reports, studies, calculations and analyses, and drafts thereof, including spread sheets or other compilations of the underlying data, comparing Puerto Rico's revenues from consumption taxes and/or income taxes to revenues in other jurisdictions, including but not limited to any reports or analyses similar in form or content to Tables 1 and/or 2 on pages 6 and 7 in the Commonwealth of Puerto Rico Tax Reform Assessment Project, Executive Summary Oct. 31, 2014 (available on the Internet; type in "KPMG Commonwealth of Puerto Rico Tax Reform Assessment Project" - http://www.hacienda.gobierno.pr/sites/default/files/unified_tax_code_of_pr-executive_summary_0.pdf). (Since this document is available from a Puerto Rico government website, it is not being attached, but will be provided upon request if FOMB, Commonwealth and FAFAA are not able to access it on Hacienda's website).

on Treasury's website.²³

REQUEST FOR PRODUCTION NO. 24:

Produce documents sufficient to show the amount of bonuses, other than Christmas bonuses, paid to public employees for each fiscal year July 1, 2016 through June 30, 2021.

RESPONSE TO REQUEST FOR PRODUCTION NO. 24:

In addition to its General Objections, incorporated herein by this reference, AAFAF objects to this Request as overbroad, unduly burdensome, and not relevant to the parties' claims or objections in connection with the Plan of Adjustment. AAFAF further objects to this Request on the ground that the term "public employees" is vague, ambiguous, and overbroad to the extent it includes employees who are employed by government entities that are not debtors under the Plan of Adjustment.

Subject to and without waiving the foregoing general and specific objections, AAFAF responds as follows:

AAFAF directs Mr. Hein to the following materials:

- The Commonwealth's certified budget, available on the Oversight Board's website.²⁴
- The Commonwealth's financial statements for FY16, FY17, and FY18, available on Treasury's website.²⁵

REQUEST FOR PRODUCTION NO. 25:

Produce attendance reports for the following months (which do not appear to be available on the AAFAF website, <https://www.aafaf.pr.gov/financial-documents/attendance-report/>): November 2020 through July 2021.

²³ <http://www.hacienda.gobierno.pr/inversionistas/estados-financieros-del-gobierno-de-puerto-rico-financial-statements-goverment-puerto-rico>.

²⁴ <https://oversightboard.pr.gov/budgets-2/>.

²⁵ <http://www.hacienda.gobierno.pr/inversionistas/estados-financieros-del-gobierno-de-puerto-rico-financial-statements-goverment-puerto-rico>.

RESPONSE TO REQUEST FOR PRODUCTION NO. 25:

In addition to its General Objections, incorporated herein by this reference, AAFAF objects to this Request as overbroad, unduly burdensome, and not relevant to the parties' claims or objections in connection with the Plan of Adjustment.

Subject to and without waiving the foregoing general and specific objections, AAFAF responds as follows:

After conducting a reasonable search, AAFAF has not located any responsive documents.

REQUEST FOR PRODUCTION NO. 26:

Produce any reports, studies, calculations or analyses of attendance data, and drafts thereof, including data concerning the percent of employees (i) who are active, (ii) working, (iii) on sick leave, (iv) on vacation leave, (v) on holiday, (vi) on maternity leave, (vii) on other leave, (viii) for which attendance has not been confirmed, or (ix) absent without authorization, for periods during fiscal 2017 through 2021, including analyses or compilations of information from weekly or monthly attendance reports or discussions of such matters in Communications.

RESPONSE TO REQUEST FOR PRODUCTION NO. 26:

In addition to its General Objections, incorporated herein by this reference, AAFAF objects to this Request to the extent it seeks documents protected by the Attorney-Client Privilege, Attorney Work-Product Doctrine, the Executive and Deliberative Process Privileges, the Common Interest Privilege, or any other applicable privileges, doctrines, or immunities protecting information from disclosure. AAFAF further objects to this Request to the extent it seeks all responsive documents, rather than documents sufficient to show the requested information, as overbroad and unduly burdensome. AAFAF further objects to this Request to the extent it seeks production of "reports, studies, calculations or analyses of attendance data, and drafts thereof" as overbroad, unduly burdensome, and not relevant to the parties' claims or objections in connection with the Plan of Adjustment. AAFAF further objects to this Request because discovery of "Communications" is overbroad, unduly burdensome, and not relevant to the parties' claims or

burdensome, and not relevant to the parties' claims or objections in connection with the Plan of Adjustment. AAFAF further objects to this Request as better directed to the Oversight Board.

REQUEST FOR PRODUCTION NO. 34:

Produce Commonwealth financial or operating statements or reports that contain one or more line items specifically identifying the amount paid (i) for interest and (ii) for repayment of principal, on Commonwealth GO debt for each fiscal year July 1, 2016 through June 30, 2021.

RESPONSE TO REQUEST FOR PRODUCTION NO. 34:

In addition to its General Objections, incorporated herein by this reference, AAFAF objects to this Request to the extent it seeks documents protected by the Attorney-Client Privilege, Attorney Work-Product Doctrine, the Executive and Deliberative Process Privileges, the Common Interest Privilege, or any other applicable privileges, doctrines, or immunities protecting information from disclosure. AAFAF further objects to this Request as overbroad, unduly burdensome, and not relevant to the parties' claims or objections in connection with the Plan of Adjustment. AAFAF further objects to this Request to the extent it seeks all responsive documents, rather than documents sufficient to show the requested information, as overbroad and unduly burdensome. AAFAF also objects to this Request because the Commonwealth's financial statements are publicly available.²⁹

Subject to and without waiving the foregoing general and specific objections, AAFAF responds as follows:

AAFAF directs Mr. Hein to the January 2016 bank account statement for GDB Account Number -0006 (Treasury Single Account), which shows a transaction of \$328,745,861.80 for the payment of General Obligation debt, CW_STAY0006752. It is public knowledge that no payments have been made to General Obligation Debt since January 2016.

²⁹ <http://www.hacienda.gobierno.pr/inversionistas/estados-financieros-del-gobierno-de-puerto-rico-financial-statements-government-puerto-rico>.

REQUEST FOR PRODUCTION NO. 35:

Produce Commonwealth financial or operating statements or reports that contain one or more line items specifically identifying the amount paid (i) for interest and (ii) for repayment of principal, on Commonwealth guaranteed debt issued by the Public Building Authority, for each fiscal year July 1, 2016 through June 30, 2021.

RESPONSE TO REQUEST FOR PRODUCTION NO. 35:

In addition to its General Objections, incorporated herein by this reference, AAFAF objects to this Request to the extent it seeks documents protected by the Attorney-Client Privilege, Attorney Work-Product Doctrine, the Executive and Deliberative Process Privileges, the Common Interest Privilege, or any other applicable privileges, doctrines, or immunities protecting information from disclosure. AAFAF further objects to this Request as overbroad, unduly burdensome, and not relevant to the parties' claims or objections in connection with the Plan of Adjustment. AAFAF further objects to this Request to the extent it seeks all responsive documents, rather than documents sufficient to show the requested information, as overbroad and unduly burdensome. AAFAF also objects to this Request because the Commonwealth's financial statements are publicly available.³⁰

Subject to and without waiving the foregoing general and specific objections, AAFAF responds as follows:

AAFAF directs Mr. Hein to the Commonwealth's FY18 financial statement, available on AAFAF's website.³¹

REQUEST FOR PRODUCTION NO. 36:

Produce Commonwealth financial or operating statements or reports that contain one or more line items specifically identifying the aggregate amount of expenditures for pensions,

³⁰ <http://www.hacienda.gobierno.pr/inversionistas/estados-financieros-del-gobierno-de-puerto-rico-financial-statements-government-puerto-rico>.

³¹ <https://www.aafaf.pr.gov/wp-content/uploads/Commonwealth-PR-2018-Audited-Fin-Stmt.pdf>.

Dated: August 27, 2021
San Juan, Puerto Rico

Respectfully submitted,

O'MELVENY & MYERS LLP

/s/ Peter Friedman

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